

VIA ELECTRONIC MAIL

February 8, 2017

The Honorable Jeff Flake
U.S. Senate
413 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Flake:

The Financial Services Institute (FSI)¹ and the 40,000 independent financial advisors and over 100 independent financial service firms that we represent strongly support reintroduction of the Universal Savings Account (USA) Act of 2017. This bill establishes tax-free savings accounts that empower Americans to save for any purpose by allowing them to make post-tax contributions that grow tax-free. The USA Act would eliminate the tax-bias against saving by eliminating incidents of double taxation which discourage Main Street from saving. These accounts may be opened by any individual who is at least 18 years of age and a U.S. citizen or legal permanent resident. Contributions to USA Accounts may not exceed \$5,500 in any calendar year (adjusted for inflation), can be invested in bonds or equities, and distributions are excluded from the gross income of the account holder for income tax purposes.

FSI and its member firms are committed to ensuring that all Americans save and invest for their financial future with the help and support of an independent financial advisor. Unfortunately, most Americans do not have the recommended three to six months of income in their savings accounts. The USA Act effectively addresses this concern by providing a more streamlined and flexible saving account option that will encourage more Americans to save.

On behalf of our members, FSI supports Senator Flake's reintroduction of the Universal Savings Account Act of 2017 in the 115th Congress, and we applaud Senator Flake for his commitment to solving the savings crisis. We hope that the Senate will consider this worthwhile piece of legislation.

If you have any questions, please contact Robert Lewis, Vice President of Legislative and Political Affairs, at (202) 803-5149.

Sincerely,



Dale E. Brown, CAE
President & CEO

cc: The Honorable Orrin Hatch, Chairman Senate Committee on Finance
The Honorable Rob Wyden, Ranking Member Senate Committee on Finance

¹ The Financial Services Institute (FSI) is the only organization advocating solely on behalf of independent financial advisors and independent financial services firms. Since 2004, through advocacy, education and public awareness, FSI has successfully promoted a more responsible regulatory environment for more than 40,000 independent financial advisors, and more than 100 independent financial services firms who represent upwards of 160,000 affiliated financial advisors. We effect change through involvement in FINRA governance as well as constructive engagement in the regulatory and legislative processes, working to create a healthier regulatory environment for our members so they can provide affordable, objective advice to hard-working Main Street Americans.